

USAWC STRATEGY RESEARCH PROJECT

**VIRTUAL BORDERS BETWEEN CHILE AND ITS NEIGHBORS:
ARGENTINA, PERU AND BOLIVIA**

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ABSTRACT

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During the past few years, there have been important global changes. These changes have different repercussions, like the creation of complex international interdependence, with networks that connect societies and that do not even need to be related through the states, those that share decisions with emergent actors, who have positioned themselves in this new world order. Globalization brings new threats and borders are virtual or abstract, surpassing the old concept of physical limit. It is based on which economy breaks with the previous scheme, and the possibilities of conflict beyond the borders of countries, where the interests collide, although that geographic space is distant from the recognized borders.

VIRTUAL BORDERS BETWEEN CHILE AND ITS NEIGHBORS: ARGENTINA, PERU AND BOLIVIA

Introduction

During the past few years, there have been important global changes, such as, economics, politics, commerce, accelerated technological, and mobility of resources. These changes have had different repercussions, like the creation of complex international interdependence, with networks that connect the societies and that do not even need to be related through the states, which have had to share decisions with emergent actors, who have positioned themselves in this new world order.

This process of change has forced the states to retrain their institutional mechanisms; specifically in its bureaucratic structure, in its interaction with other countries and the processes of decision making. Some of the characteristics that emphasize this new scene turn out to be high complexity, uncertainty, constant evolution, instability in some regions, and new force ratios, elements that have other risks, threats and situations of latent conflict, whose nature was not possible to anticipate.

The International System

The immediate consequences of globalization can be observed in the restriction of sovereignty of nations and the resurgence of disputes of ethnic and racial character, besides traditional interstate conflicts. This panorama happens in an environment where all states come from necessity to appeal to other actors, since they cannot promote completely by themselves their national interests, which promotes international cooperation.¹ This process has started to introduce strategic challenges to the international system, where the concept of the nation-state as the main actor has changed. Furthermore, the world has been moving from a bipolar system towards a fragmented and unstable one, where fuzzy challenges have been modifying the traditional notions related to international security.

Global government has well defined characteristics, where procedures and institutions work on shared values such as democracy, human rights, open international economy and the option of cooperation to face a complex international agenda.² In this international system we can find states with different influence and power, and where actors other than states can be found. In this sense, international organizations such as the United Nations, Organization American States, European Union, can be mentioned. Also, non-governmental organizations such as International Monetary Fund, World Bank, World Trade Organization, Greenpeace, Amnesty International and others have played a major role. Other non-state actors are the multi

and transnational enterprises, such as Microsoft, Sony, Toyota and others which have become major elements of interaction throughout the world.³ Trends towards the formation of big political and political-commercial blocs have also been emphasized.⁴ This situation formulates new requirements and responsibilities over state sovereignty, where the uncertain degree to which the sovereign state can adapt its behavior and role to a series of deterritorializing forces is a major issue in the future.⁵

The dynamic process created by those actors and trends, the change in the balance of power among the major powers, as well as globalization (seen as the spread of liberal democratic values and free market all supported by revolution in technology and communications) have created new kinds of threats that jeopardize the future of many nation-states while mining the road to international stability.⁶ These are situations that may interfere with the normal process in the international system and would cause damage to one or several actors.

Conflict

According to Lewis A. Coser, in each type of social structure there are reasons for conflict, since the individuals and the sub-groups can, every other time, compete in their demand for goods, prestige or position in power.⁷ Manuel Fraga, on the other hand, indicates that conflict is something that cannot be separated from the whole society, because both take place simultaneously, consequently in any social binomial:⁸ "Cooperation and conflict are inseparable and the same causes that make possible the first make the second necessary."⁹ Conflict can be considered as natural in every society and each society produces its typical conflicts and generates different ways to solve them. Conflict, then, is a normal social fact and the abnormal thing in a human society would be the total absence of conflicts.¹⁰

International Conflict

According to the Book of National Defense of Chile, the potential origins and sources of the international conflicts can be in opposite interests relative to historical-political factors¹¹ and political-ideological factors.¹² Another factor, not considered in the mentioned book, but of great importance, is the political-economic one.¹³ The reasons before indicated are those that more frequently produce an international conflict, even though the apparent cause can be different. The book of National Defense of Chile indicates an international conflict as a confrontational situation between two or more sovereign states that see threatened the interests they consider important, including situations of crisis as much as military.¹⁴

The Chilean Defense Policy

To define a framework for analyzing the defense policy, it is necessary to know the most important characteristic and ideas about them, and which consider the following:

The Book of the National Defense of Chile provides the guideline and overview of national defense. It specifies a national vision and the role and missions of the Chilean Armed Forces, with the following general principles:¹⁵

- a)** The Chilean state does not hold any aggressive intentions towards any country in the world; neither has it territorial claims in the neighboring context.
- b)** The Chilean state has the will to protect its population, to defend its national interests, and to safeguard its political independence, its national sovereignty and its territorial integrity.
- c)** The Chilean state has the responsibility to maintain an adequate military capability to assist in the achievement of national objectives, bearing in mind that the development of that military capability is proportional to the development of the country's other capabilities.
- d)** The Chilean state has the responsibility to use all its national capabilities and, particularly its military power, for the defense of the country and protection of the national interests, if necessary.
- e)** The Chilean state should encourage civil society's commitment to national defense. Chilean citizens are subject to compulsory military service, meeting the needs of national mobilization and maintaining the competence and capabilities of reserve personnel.
- f)** For the Chilean state its relative geographical location is a significant factor in the formulation of its defense policy.
- g)** Chilean defense policy conforms to the institutional legal framework in force and recognizes and respects treaties and international agreements incorporated. Chile's Defense Policy legitimately represents the political commitment that, on one hand, binds the state to the nation's citizens and, on the other, incorporates the state into the international community.
- h)** The Chilean state considers as particularly important and advisable a close relationship and coordination between its defense and its foreign policy, so that they complement and reinforce each other, although the former will support the latter.
- i)** The Chilean state shall uphold its commitment to contribute to the defense and promotion of international peace, in accordance with national interests.

This defense policy allows a coordinated management of a global approach to eliminate reduce the country's vulnerabilities. It would seem sufficient to have an adequate coordination between defense policy, foreign policy, development policies and those of public order and internal security, which would probably require establishing earmarked institutional bodies to act as liaison between the different public sectors.

National Objectives

Chile's national objectives exclude territorial claims on neighbors' territory and emphasize our country's definite vocation for peace. Along these lines, Chile supports its national objectives through a defense policy whose purpose is to safeguard national interests through a defensive attitude, although it is not inconsistent to opt for deterrence in the political-strategic context.

International Context

The international context is complex, with a globalization that is not, however, eradicating national diversity nor implying a uniformity of positions and objectives among states. Therefore, the nation-state continues to be the central –although not the only– unit of international order. Chile believes that it is necessary to preserve national identity and that the relative geographical location occupied by each state in conjunction with its national interests shall continue to be a significant point of reference for the respective defense policies.

World and Regional Stability Peace

Chile's willingness to participate in peacekeeping operations sponsored under the United Nations Charter has been clearly stated, considering that the maintenance and promotion of world peace are among the objectives of its defense policy. We have also established the value of the integration process promoted since the early 1990s, emphasizing the promotion of trust among states as the political basis of these processes. Although we pointed out that mutual confidence measures were not additional mechanisms of defense, we have noted the importance that Chile attributes to the promotion of confidence within this sphere. We have highly commended the expansion of democracy in the continent and defined arms control as a mechanism that helped to reduce the potential for conflicts, thus facilitating regional stability.

Defense and Security

With respect to the relationship between defense and security, we have affirmed that it is not ethically justifiable to ensure a country's security by trampling on the enduring values of justice and human dignity.

The Nature of Threats in Chile

In spite of its peripheral geographic location, the dynamic international forces also affect Chile. As a matter of fact, the region's evolution has been turning around the dynamic created by globalization and regional development. This dynamic has had both positive and negative effects in the continent where governments and societies are looking for suitable policies to optimize their insertion in the process.¹⁶ The framework for analyzing negative effects that the international system is facing today is based in two concepts stated in the "Book of National Defense of Chile:" conventional threats and non-conventional threats and risk. A threat must be understood as a real or perceived action consciously or unconsciously caused by an eventual adversary, supposedly with the intention and capability to negatively affect one's own interest.¹⁷

Conventional Threats

Without doubt the new world order and the trends of solving problems are based on a concept of "democratic peace"¹⁸ have generated a common approach to solving controversies between states in the region. The region has seen a trend towards the decrease of conflicts between states. Nevertheless, it would be premature to maintain that inter-state conflicts have disappeared. In Chile's view, the conventional threats are those situations related to territorial or sovereignty inter-state problems. The Chilean government does not discard these existing situations, susceptible of becoming a major menace to stability in the region, despite the current international situation and the emergence of new threats.¹⁹

Despite the fact that Chile has a close relationship with Argentina and that it has been managing this relationship based on cooperation and integration, it cannot be denied that besides the potential threat materialized by a fluent interaction between the two countries²⁰ Chile has also a territorial dispute because of ill defined parts of the border with Argentina, that could lead to a traditional aspiration of that country over either Chilean territory (South Ice Fields) or ocean. The loss of territory both Peru and Bolivia after of War the Pacific (1879-1883) are still present in the perceptions, feelings and even the military policy of both countries.²¹

Non-Conventional Threats

Unlike the above threats, non-conventional menaces do not necessarily have a link or origin in the state. Most of them are social and transnational nature. In this context, it is possible to mention emergent phenomena that affect the region with diverse intensity depending upon the specific social, political, and economic situation of each state, as well as their structure and interests.²² Issues of an internal character acquire dimensions that are related to the external security or affect the internal situation of a country and then they gain international importance.

Chilean national defense policy considers it not suitable to reduce the missions to defend against traditional threats but rather to make them an active mechanism to establish new cooperation measures in the defense environment.²³ In the current international context, the Chilean state perspective considers cooperation as the main tool for facing these kinds of threats where the development of a national intelligence system is highly required. Chilean policy also says that the definition of situations considered threats to the country's security is a responsibility of the state.²⁴

Chilean Defense Policy and the Perception of Threats

Chilean defense policy has been stated in the Book of the National Defense of Chile published in 2002. This policy considers the vision of the state over the defense matters where the Ministry of National Defense is the leader of the process that tries to evaluate the regional and global security situation by incorporating all the different elements that shape the global, regional situation. Regarding threats, the national defense policy addresses these menaces as the most important situations related to national defense matters. On the state's perspective, even though threats have a major role in defining defense planning, they do not cover the entire spectrum of situations that a modern concept of defense must have. That is the reason why the policy also addresses issues that are not dominated by the concept of threats, like cooperation and international commitment towards cooperative behavior. The policy also enhances the importance of detecting the opportunities to ensure peace.²⁵

According to the statement of the Book of National Defense, this policy was also conceived bearing in mind the diverse nature of a more complex international security agenda. This new scenario mixes the traditional elements of international conflict with elements that have new dimensions and ranges, given the changes that have occurred since the end of the Cold War. Not only have these new phenomena forced to consider threats as elements isolated from the other components of the national interest, but also to open spaces for these emergent threats. The policy continues its analysis defining the concepts of "conventional" and "non-conventional" threats by giving a theoretical framework. In its view, non-conventional threats are more related to internal security than defense matters where the more important role is driven by the forces of order and security. In this sense, the armed forces have either a supporting role to the national civil authorities for internal matters or to foreign policy.²⁶

Theoretically, national security policy establishes the criteria needed to harmonize and coordinate the actions between both the development and defense environments in order to eliminate or lessen the country's vulnerabilities by creating the conditions needed to reach the

national objectives. However, the Chilean state has not yet generated a group of criteria and orientations that can be called the national security policy. Nevertheless, while this national security policy has been implicit in the past it is now more explicit since the publication of the Book of the National Defense. According to civil authorities, good coordination between the national defense policy, international policy, development policies and internal security appear to be sufficient to achieve the conditions of stability.²⁷

Chilean defense policy addresses its key elements, which are based on the national objectives, the international context, global and regional stability, and the ways of using the defense means. All these elements have provided unique features to the national defense policy that allows it to be adjusted to the special needs of the country, based on the current scenario.

Globalization and Virtual Frontiers

Globalization originated from the birth of a technological revolution accelerated by audio-visual communications. This new era some authors have called “Third Wave.”²⁸ In order to have a more complete vision, globalization has economic effects, taking place when a displacement of the axis of the economy exists, “from the State to the Market.”²⁹

Globalization happens through the physical borders of states, transferring the market, taking into account that in a free economy takes place direct negotiations between companies, groups and organizations, without requiring an intermediary to interrelate. Product exchanges, technology, capital, ideas will exist and also culture, without practically any control. Globalization has produced among other effects surpassing borders as recognized physical limits, extending these to geographic places where a state has interests (virtual borders), those that normally other states or groups of states will agree with.

Virtual Borders

Virtual borders can be defined as follows: “product of globalization, borders are recognized as virtual or abstract, surpassing the old concept of physical limit. It is based on how the economy breaks with the previous scheme and even in power the possibilities of conflicts beyond the borders of countries, justifying that this takes place where the interests collide, although that geographic space is distant from the recognized borders.”³⁰ “Virtual borders” not only are the consequence of the economic opening that has taken place during the past years, but are also product of other components that will be necessary to consider to study this phenomenon and to be able to understand it as a whole. It does not have to be considered “virtual borders,” like one-dimensional, economic, technological, political or cultural, in separate form. Globalization and “virtual borders” are an inescapable process. That process is a compound of positive and negative factors, with some “undesired effects”.

Effects of “the Virtual Borders,” such as Generating of Conflicts

Territory is not the key and irreplaceable piece to reach power, as the defenders maintain of the theory of vital space. With it geographic determinism loses use, and therefore the appearances of the “virtual borders” have allowed states to by pass the inherent limitations of reduced territories and deficiency of raw materials, projecting sometimes like true economic and technological powers. As a result of the “virtual borders,” new threats, are like “the real actions or perceived, caused conscientious or unconsciously by a possible adversary, who assumes the intention to affect negatively your own interest.”³¹

These emergent and nor conventional threats are characterized as asymmetric³² and can affect much of the constituent elements of the state, like their structure, depending on how they originate, develop, evolve, and lead to a local or international conflict.³³ “Virtual Borders” are a consequence of globalization, the one that generates a narrow integration between countries and towns of the world, taking shape through free commerce, elimination of tariff barriers, opening of markets, agreements of economic complementation, free transit, opening to foreign investment; in addition, of an ample network in bilateral and multilateral agreements of different nature. This interaction is creating a high degree of dependency and interests that extend the geographic determinism, generating conflicts from factors that at other times were unthinkable.

Elements or Factors Generating of Conflicts

Foreign investment

One of the main tools of this process is the competition, to advance in the development is necessary to produce efficiently and better than others, conquering the markets with quality and adapted prices, which necessarily happens to attract foreign capital to invest in sectors that are of a high cost and which require advanced technology. Chile maintains important investments in Argentina, Peru, Bolivia and others countries of the region, in electrical, mining companies, commerce and industry, reaching approximately 40 billion dollars, a considerable amount taking into account the size of Chilean economy; as well, these countries have invested capital to initiate businesses in Chile. This interchange is endorsed by national legislation³⁴ and the bilateral agreements of promotion and protection of investments.

As far as the investments between the states of the region, they are not yet significant. Nevertheless, everything indicates that this will change with greater integration, which generates possible conflicts. For example, the situation produced with the Lucchetti company in Peru. This case was presented to The Center of International of Adjustments of Disputes of Investment (CIADE.),³⁵ the electrical companies in Argentina and Aerocontinente in Chile. Although these problems have been solved, bilateral relations deteriorated. The great political instability that

exists in countries of the region like Bolivia, triggers violent frequent changes of governments, sometimes affecting bilateral relations. This demonstrates a lack of impressive continuity and seriousness and that in spite of the agreements, treaties or protocols subscribed to mainly in economic matters, in the region, are not sufficient guarantee that conditions will stay the same.

Commerce still faces many problems in the region, like protectionism, subsidies, and internal difficulties to transport, very different legislations, different priorities and many others too long to indicate. Conflicts arise inexorably every certain time taking place. For example, in 2003 Argentina decreed that the border be closed to 15 Chilean companies of white meats, in order to protect the local producers affected by aftosa fever.

Dependency for Resources and Infrastructure on Other States

Competitiveness accelerates development and competition for new opportunities creates the necessity to count on new resources and to maintain the rate of projected growth. This is especially important in industry, where we must satisfy our requirements. An important power resource is natural gas, whose integration with Argentina began year 1996, with the operation of a company, Bandurria, which transports gas for the plant of methanol METHANEX in Region XII of Chile. To date, several integration projects have materialized and a total of 850 industries of the Metropolitan Region is working with natural gas from Argentina. More than 60% of the natural gas consumed in Chile comes from Argentina. Consequently any political or social problem in this country, will put at risk the normal provision of gas, with the disastrous repercussions that this would have. An example of this situation is happening with Argentina almost each year since 2001, when the Argentine authorities announced the implementation of a tax on natural gas exports equivalent to 20 percent, to which the producing companies reacted by diminishing costs and dismissing 10 thousand workers. These reacted violently when seeing their sources of work threatened, carrying out a strike and threatening to cut the gas to Chile. Another example is the situation that took place in 2004 that has relation with the lack of investment in infrastructure in Argentina and an increase of internal demand.

Another problem is the exhaustion of the hydro resources, especially in the North of the country,³⁶ especially in Arica, Iquique and Antofagasta, overexploitation of water resources. According to the study of "general fresh water evaluation in the world" made by the United Nations in 1998, excessive use and contamination are limiting availability. According to projections made to 2025, two thirds of the world population, approximately 5,500 million people, will live in countries that will face serious problems relative to the water supply, if the present policies of use and handling persist. In the specific case of Chile, fresh water reserves exist in the great south of the country, many of which are shared with Argentina, not only

relation with the South Ice Fields, but also, an infinity of lakes and common rivers with origins and courses, that they will not imply conflicts while the resources are sufficient and in a high percentage.

Migratory Movements

With “virtual borders” the movement of people has increased remarkably, especially people who look for better opportunities for their families. Until now commercial agreements are not considered something that moves of people. However, this is something inevitable and it will be accentuated mainly if Chile obtains, like it is doing it, a development more accelerated than the bordering countries. This process can be classified in general, like migration for economic reasons, and is related to the displacement caused by the search for better market conditions, work, quality of life and opportunities, that are nourished basically by the process of economic development.

Migration can separate in sub-groups. Administrative requirements for admission and establishing the legal situation of the immigrant, which are defined as legal, those that are denominated illegal, undocumented, irregular or clandestine. The last are a problem for the state, considering that it is necessary to provide them with minimum conditions of health, housing and education, overloading an already saturated social network and of public services. In addition, they produce pressure on the labor market, not only to occupy jobs, but also the loss of wages, deepening with it the social differences, and producing a natural resistance in the national population, that can become discrimination or xenophobia.

In Chile at the moment immigrants come mainly from South America, representing 67.9% of the total of foreign residents, are distributed according to the following picture:³⁷

Nacionality	Cuantity
Argentine	48.176
Peruvian	37.860
Bolivian	10.919
Ecuadorian	9.393
Brasilian	6.895
Venezuelan	4.338
Colombian	4.095
Uruguayans	2.241
Paraguayan	1.222

Figure N° 1, Immigrants of South America. Census of 2002.

Coming from North America, are 6%, European 17.2%, Asians 4.2%, African 0.7% and of the Australian continent 0.8%. The resident foreign population in Chile corresponds to approximately 1.2% of the total of the population of the country, reaching 184,464 inhabitants, the Argentineans being 0.3%, Peruvians 0.25% and Bolivians 0.07%. If the numbers are analyzed it can be inferred that these percentages are not considerable, however, according to the statistics, a significant increase of Peruvian citizens has taken place during the past few years, considering that the population that is illegal would correspond to approximately 45,000.

Many national groups of pressure are speaking of the necessity that the borders be opened, that border controls diminish, to allow the free passage of people, which will make more difficult the daily control. As a result of the death of a Peruvian undocumented person in the north border of Chile, in pacific manifestations appeared groups of Peruvian workers in Santiago, where they demanded among other things, to improve conditions of life and work. Although it is a completely isolated fact and it did not have a great call, it can worsen to future. This shows us the importance of foreign emigrants especially when we have historical matters.

Situation of Drug Trafficking

The greater amount of drug producing countries is Latin America and the main consumers are United States and Europe, in that same order. Initially for Chile drugs was a distant problem, but with the years and with increasing pressure, mainly on the part of United States on the producing countries, the groups organized and they had to look for new forms to transfer and to commercialize their drug shipments and avoid detecting. They found a good alternative. Chile appears as very viable alternative, given its open towards the world, its very extensive and difficult to control borders. Equally, helpful is its foreign trade that is developed intensely through ground, aerial and maritime routes.

Most of the drug production is in South America and two of the main producers are countries bordering with Chile, which constitutes a permanent risk, considering that these countries have ambiguous or at least contradictory policies, when repressing these crimes on the one hand and favoring them by another one, taking into account that poor sectors of their population subsist economically of the culture on raw materials like the coca leaf.

The producing regions of coca leaf in Peru and Bolivia even count on social and union organizations with parliamentary and government representation. They have demonstrated great political power, also waking up affections in many international nongovernmental

organizations, especially in Europe, where the subject often appears united to the ethnic problem that generates the high sensitivity in the public opinion of that continent. From the point of view of drug trafficking, Chile has been considered like an excellent platform to export to markets like United States., Europe and Asia, due to the comparative advantages that the country presents. The considerable a commercial interchange with these regions and by the international confidence that the country enjoys, allows that the regulations and controls to be less strict as far as the entrance of people and products, compared to other countries of the continent. The detected traffic mainly enters Chile through the North borders and this, verifying also that the bordering countries have not been effective in controlling this situation. In addition, an important part of the economy of some regions of Peru and Bolivia depends on this activity that has not been possible to reconvert, in spite of the efforts made by the successive governments, with international support.

The situations of conflict will take place partly as the result of the asymmetry that exists between the measures adopted by Chile and other countries, some bordering on the region, often demonstrating lack of interest, political will and resources, to apply effective measures in the combat drug trafficking.

Terrorism

The terrorism has become the main threat to international security, adopting modalities and forms to practically operate in ways impossible to predict or to imagine for some years. The terrorism, at least in the continent, is associated with drug traffic, looking to merge with the local ethnic communities to conceal its activities, being operated especially in countries where the governments and the fulfillment of the laws are weak, creating a climate of fear and intimidation and where both require to launder money to survive.

At the moment in Chile political, social and economic situation, does not favor. It is perceived like something very distant that affects the world in increasing form but not the country. It is analyzed with a certain indifference, assuming that this afflicts others and that the great powers worry about the subject, without considering that in this globalized world we share benefits as well as negative aspects.

Zones like the triple border between Argentina, Brazil and Paraguay exist. Evidence indicates in this place hide or operate terrorist groups that use this sector of Latin America like platform to act in other parts of the world, taking advantage of their intense commercial activity and false documents especially in Ciudad del Este in Paraguay. This city has an approximate

population of 350 thousand, 35 banks and 50 houses of exchange, where great transactions of money take place, corresponding most of them to “launder money” destined for the Middle East.

In the attacks produced on the embassy of Israel and the seat of Jewish Mutual Assistance Association in Buenos Aires, lines of investigation indicated Iranian terrorism. Its embassy in Chile would have been used to conceal part of the operation, from the financial and operational point of view, which verified would leave the country in a terrible position before the international community, to not have detected and neutralized this situation.

The open borders more and with less control provide access, refuge and capacities to the terrorist groups. However, these require bases to operate, which is often facilitated by the states, or by ignorance, incapacity, or on purpose, providing “virtual” physical refuge to them as much as, materialized this one last one by reliable communications, access to computational networks, financial networks and in synthesis, everything that they require to plan, organize, train and execute operations, being allowed to solidify them and to expand. At the time the situation in the region in general terms appears under control but the situation on Bolivia must be followed because its of historical background of instability.

Overexploitation of Resources and Contamination of Environment

Coincidentally countries need their natural resources for developing or improving their quality of life. Nevertheless, sometimes we have overexploitation of natural resources that are vital for the life of man, studies that indicate that this one will be one of the greater problems that will we have to face in the future and probably even now. One aspect of great preoccupation for Chile is the exhaustion of the resources of the sea, an area where the conscience of the state exists and already some concrete measure have been taken, materialized in laws to regulate the extraction and to preserve marine resources.

Peru is carrying out claims against Chile by the interpretation of the maritime boundary that according to this country would not be resolved, which produces, among other problems, constant violations to the Chilean exclusive economic zone. Great international companies are interested in investing in Chile and specifically in projects related to the operation of natural resources like native forests. However, many of these projects have failed because the strong opposition of ecological groups, in spite of approved studies of environmental impact, limiting with it the investment and the growth of important sectors of the population.

Another factor that in a certain sense complicates this panorama is the ample freedom that exists in Chile to acquire lands, which has been taken by great companies, foundations and individuals in general, especially foreign, to supposedly acquire great extensions with aims of

preservation, but which it is not easy to accept, taking into account that in many opportunities paying very low prices to colonist that were in bad economic conditions, increasing with it the low population density that affect some zones of the country. To damage the development of isolated places. This is an important problem especially in isolated zone where influence of countries like Argentina is striking and affects our own interests.

Ethnic Situation

Due to globalization, problems have resurged with force that were believed in general solved, the ethnic conflicts, those that have deepened because of the weakening of the nation state, favoring the indigenous groups, that show with force different aspirations, such as being recognized constitutionally like indigenous nations, land reclamation, autonomy for the political and economic administration of their territories, among others, with great support and affection at the international level. In this case the Aymará communities that live mainly in the regions of Tarapacá and Antofagasta, in coastal valleys, pre-mountain, highlands zones, and in cities like Arica, Calama, Iquique and Antofagasta have relations with communities of the same ethnic group of Bolivia, Peru, Ecuador and the north of Argentina. This is a worry because ethnic communities of Bolivia are a destabilizing element and larger force that according to the census of 1996 are 70% of the population, while 20% are mestizos and a 10% while. Most of the indigenous population lives in poverty, without access to education and the great majority not even satisfies basic necessities. Bolivia presents such degree of instability that charismatic leaders are able to mobilize a demoralized majority, using for it demagoguery without limits.

National Policies, To Diminish the Negative Effects of "Virtual Borders"

In this globalized world the nation state has lost some spaces that formerly were of their absolute exclusive feature, having to share decisions with other states and international actors related to their sovereignty. This is a reality that is necessary to assume and that will be compensated by obtaining the benefits of developing the country and the well-being of its population. Some of the most important characteristics of these new threats are that they will not arise like totally independent elements, but that have the capacity to complement themselves and to harness with others. Terrorism, for example, with drug trafficking and ethnic conflict, in spite of having completely different motivations in their conception and objectives. Therefore our answer to this kind of problem must be coordinated with different countries and organizations that are part of the problem. One of the fundamental elements to achieve success over new threats will be cooperation between states.

The characteristics of the countries of the region and the human experiences leave no doubt that any situation, like for example, economic recession, social agitation or political crisis that takes place especially in the neighboring countries, will end up affecting Chile. We must define clearly and with strategic vision the vital economic interests for the country that will be necessary for its development. Border controls must be increased, mainly with more qualification of the organizations in charge of these functions, but mainly with the incorporation of technology, making them effective given the geographic characteristics of the country, preparing themselves to counter possible terrorist activities, drug trafficking, proliferation of disease, illegal immigration, among others.

The immigration law will have to be updated, considering global reality, making it compatible with different treaties and international agreements that Chile signed recently. It is important to establish amnesties to mainly regulate the situation of illegality which immigrants maintain, especially of Peruvian origin. Permanent pursuit of the illegal immigrants will be necessary to avoid future problems. It will be necessary to work with the bordering countries in the sanitarian control, contributing the experience of the country in campaigns to prevent aftosa fever, fruit fly and other plagues, not only working in border controls, but a much more ample cooperation..

We must conduct a strong offensive in the environmental area, considering the planning and execution of concrete measures with a long term vision, which indeed would allow preserving the environment and natural resources and avoiding dependency of one country on imports of resources like gas. An important effort will be necessary control of the marine economic zone exclusive right, using the means that the Navy has and increasing these with boats and airships of marine patrolling with advanced systems of detection. In the indigenous problem, a series of actions were taken by the last governments, which partly decompressed the problem, however, new measures will be due to adopt that do not imply a greater segregation of the indigenous. Something of great importance will be that the state counts on a system of national Intelligence, with an efficient structure, vanguard technology, highly specialized personnel able to give useful information for decision making, in a world whose basic characteristic is uncertainty and where it will be necessary to know possible threats like terrorism, drug trafficking, money laundering, corruption, immigration and bioterrorism. It is not acceptable to improvise in important matters for the country.

It's necessary to continue fomenting international relations, especially with bordering countries, not only the traditional ones at the level of governments, as well as deepen interests with the business community, workers organizations, chambers of commerce, exporter

association, civil organizations, looking to establish confidence beyond the simple commercial interchange. This will be very useful to improve the relations and facilitate any action to solve a possible conflict.

General Conclusions

The application of the free market has not had the same effect in the region, nor have the benefits arrived with the rapidity that was expected, giving undesirable consequences, like increasing migrations of population, delinquency, arms, drug traffic and finally the social outbreaks or internal conflicts that cross borders. With respect to the power crisis that affects Chile almost each year, it is not the problem of Argentina. Chile has become one buyer of its power resources, a great part of the transactions have an immediate economic benefit, but without considering policies or investments for long term, which is very dangerous.

The main origin of the migrations to Chile is economic, but it is still not presenting indices that can be considered serious or alarming. But they are necessary to improve the economic situation of Bolivia, which will represent a destabilizing element in the region and a center of permanent conflict. Terrorism stopped being a problem that only affects others, because the interests of our country are practically anywhere in the world, therefore Chile must have active participation in this fight, considering that integration gives us benefits as well as obligations that will not be possible to elude, staying as simple spectators, or giving speeches in international forums, hoping that others pay the cost of the defense. Terrorism in this part of the world appears under control but can constitute a factor of conflict, when it affects internal order and public security, limiting the harm to right of the property, transgressing legislation that affect our own quality of life.

The ethnic problem has political, social and economic characteristics which can constitute a factor of conflict if the political and economic situation in Bolivia doesn't improve. Latin America has not yet reached a level of economic, social, cultural, political development and in general of civic maturity that allows national integration. The region will be unstable and it will be necessary to make strong effort at integration and to recompose confidence with the bordering countries, especially with Argentina with which more unifying factors exist for extended cooperation. The Latin American countries have two agendas, one of which is historical, with the epicenter on border subjects, originating in the constitution of the states during the nineteenth century, the one that left wounds and distrust in most of the bilateral relations.

It is necessary to take into account that to avoid conflicts we must work to balance the development of all people of other countries, but this also is applicable within our state.

Situations of social inequality between the beneficiaries of the system and the marginalized ones create the appropriate conditions to generate violence, proliferation of terrorist and criminal groups, and in general tensions that affect the state.

A permanent pursuit of the regional and local situations will be needed to maintain, with the intention of evaluating if the measures taken are producing the desired effects, like being able to go ahead when situations are detected that can be transformed into a complex future, adopting preventive measures that the case needs. Many people of Bolivia live with great levels of poverty and a great part of the population does not satisfy its minimum necessities. This leaves the nation totally undermined and on the verge of crumbling, which worsens the autonomy pretensions of important groups like the Aymarás who feel less identified with state of Bolivia. With this panorama we always have the possibility of crisis in the medium term that can threaten our country and region. It will be necessary to create a national consciousness that Chile also has interests that are beyond the borders, which must be assumed with a sense completely different from that of territorial space, or with a vision of geographic determinism.

It will be fundamental to have strong economic alliances, political and military power and accept the material and human costs that this implies. The opposite will mean to isolate itself, debilitating the international position of the country before possible conflicts that can affect us directly, which also will be an element of important dissuasion in the future.

Endnotes

¹ Ministry of National Defense of Chile, *Book of the National Defense of Chile*, (Santiago: September 1998), 42.

² Ministry of National Defense of Chile, *Book of National Defense of Chile*, 2nd ed. (Santiago: May 2002), 48

³ Chilean Army War College, *Teoría Básica de Geopolítica*, (La Reina: Acague 2001), 27-30. These are the major actors that are studied in the Army War College and are the basis for studying international relations in the Chilean Army.

⁴ Ministry of National Defense of Chile, *Book of National Defense of Chile*, 2nd ed. (Santiago: May 2002), 49.

⁵ Richard Falk, *The Future of International States and International Order*, World Prisms. U.S. Army War College, Course II Readings, 2005-2006 Vol.I, 107.

⁶ Phil Williams, Preface "New Contexts, Smart Enemies" in Robert J. Bunker *Non State Threats and Future Wars*, ed., (Portland: Frank Cass, 2003), X.

⁷ Lewis Coser, A., *"Las Funciones del Conflicto Social"*, (México-Buenos Aires: Fondo de Cultura Económica, 1961), 174

⁸ Pattern-using government-citizen international be-community

⁹ Manuel Fraga Iribarne, *Guerra y Conflicto Social*, (Madrid: Colección Ensayos Políticos, 1962), 3

¹⁰ Ibid.

¹¹ Present examples of this cause are in the warlike conflicts as a result of the birth of new states, from the processes of disintegration, disintegration or collapse of the political structures in which a town was voluntary or forced immersed.

¹² The Cold War, a conflict of ideological nature and with global reaches, is the most characteristic exponent.

¹³. Reasons as this explain the great interest of the United States, and the coalition formed to their around, on the events derived from the invasion of Kuwait by part of Iraq, when affecting to one of the greater petroleum reserves of the world.

¹⁴ Book of National Defense, 2nd ed. (Santiago: May 2002), 68

¹⁵ Ibid., 79.

¹⁶ Ibid., 49

¹⁷ Ibid., 62

¹⁸ Ibid.

¹⁹ Ibid., 50.

²⁰ This concept is based on the Julian Freund's theory that says that the more relationships the more possibilities of differences or controversies may arise among the actors.

²¹ Col. Rodolfo Ortega and Col. Mauricio Pontillo, *Los Efectos del proceso de Integración y Globalización en la Seguridad Nacional*, Santiago: (Chilean Army Studies and Research Center, 1998), 13

²² Military Studies and Research Center, *Chile en la Region. CESIM*. 2001; available from <<http://www.cesim.cl/pags/biblio/index.html>>; internet; accessed 30 January 2004.

²³ Book of National Defense of Chile, 2nd ed, (Santiago: May 2002), 63.

²⁴ Ibid., 50

²⁵ Ibid., 62.

²⁶ Ibid., 64

²⁷ Ibid.,80.

²⁸ The Third Wave was written by Alvin Toffler, where the author explains the changes that are producing in the world with the death of the industrialism and the birth of a new civilization, exposing the exigencies of an emergent world where they hit new values and technologies.

²⁹ Jaime García Covarrubias, "Identidad Nacional," *Memorial del Ejército de Chile*, N^o 459, (Santiago: April 1998), 60.

³⁰ Jaime García Covarrubias, "*El desafío político y estratégico militar de America Latina*" *Memorial del Ejército de Chile*, N^o 458, (Santiago: October, 1998),.92

³¹ Book of National Defense of Chile, 2nd ed.,(Santiago: May 20003), 62.

³² Threats that are realized with asymmetric means, are not executable with military means, but with inferior means and are unpredictable.

³³ The international conflict can be found in the existence of interests opposed between states, a state or a social or political group, or between social or political groups. Such opposed interests can be related to historical, ethnic, social, religious, economic or ideological factors.

³⁴ Diario Oficial de Chile, Decreto Ley del Banco Central , N^o 600 "*Estatuto de Inversiones Extranjeras en Chile*", (Santiago: 1974), Capitulo I,19

³⁵ The International Center for Adjustment of Disputes of Investment (CIADE), works in Washington D.C.

³⁶ It is indicated that the problem affects especially the north zone of the country.

³⁷ Instituto Nacional de Estadísticas, "*Inmigrantes en Chile*", Santiago Census, 2002

